

Quarterly Newsletter



Issue 8

October 2021



Dear All,

Hope you are keeping well and safe amidst another new wave of COVID-19 cases in the third quarter of 2021!

LABS achieved yet another milestone by onboarding over 250 factories. We continue maintaining a steady state of operations at factories in India. However, in Vietnam due to the huge spike in COVID-19 cases across the nation, the LABS processes (e.g., assessments, follow-up visits, safety trainings, and remediation) at factories were impeded in line with the National Government Directives. With the situation improving towards mid-September, LABS processes gradually resumed albeit online at factories whenever possible. We continue to progress with caution in our operations and remind all of you to stay safe and take necessary precautions at all times.



254

Factories onboarded

India: 102
Vietnam: 152



192

Assessments conducted

India: 76
Vietnam: 116



148

Safety training conducted

India: 36
Vietnam: 112



545,664

Workers reached

India: 127,490
Vietnam: 418,174

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Operations Quarterly Update

INDIA



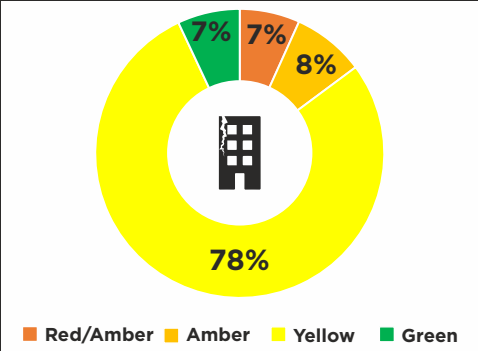
1. Assessments

A total of 32 assessments were conducted at the following factories this quarter:

- | | |
|---|---|
| 1 Pearl Global Industries Limited – Plot 274 | 17 Shahi Exports Pvt., Ltd. – Unit C35 |
| 2 Pearl Global Industries Limited 1, Kancheepuram | 18 Shahi Exports Pvt., Ltd. – Unit 33 |
| 3 Nahar Spinning Mills Limited – Unit 376 | 19 AHP Garments Pvt., Ltd. – Unit 45 |
| 4 Nahar Spinning Mills Limited – Unit 373 | 20 Indian Designs Exports Pvt., Ltd. – Unit 04 |
| 5 Fancy Fashions | 21 Indian Designs Exports Pvt., Ltd. – Unit 09 |
| 6 Shahi Exports Pvt., Ltd. – BBSR | 22 Shahi Exports Pvt., Ltd. – Unit 36 |
| 7 Whitehouse, Guduvanchery | 23 Shahi Exports Pvt., Ltd. – Unit 36A |
| 8 Global Garments – II | 24 NJK Enterprises |
| 9 Global Garments – III | 25 Indian Designs Exports Pvt., Ltd. – Unit 05 |
| 10 AHP Garments Pvt., Ltd. (Unit 54) | 26 Shahi Exports Pvt., Ltd. – Unit 9 |
| 11 Tets N Rai | 27 Ambattur Fashion India Private Limited – D15 and D16 |
| 12 Shahi Exports Pvt., Ltd. – IP1 | 28 Ambattur Fashion India Private Limited – B9 |
| 13 Wear Well 1 | 29 Shahi Exports Pvt., Ltd. – Unit 22 |
| 14 Carnival Clothing Company | 30 Shahi Exports Pvt., Ltd. – Unit 12 |
| 15 Aala Gloves | 31 Pee Empro Exports Pvt., Ltd. – Unit 13 |
| 16 Arvind Limited (Woven Shirts) | 32 Pee Empro Exports Pvt., Ltd. – Unit 67 |

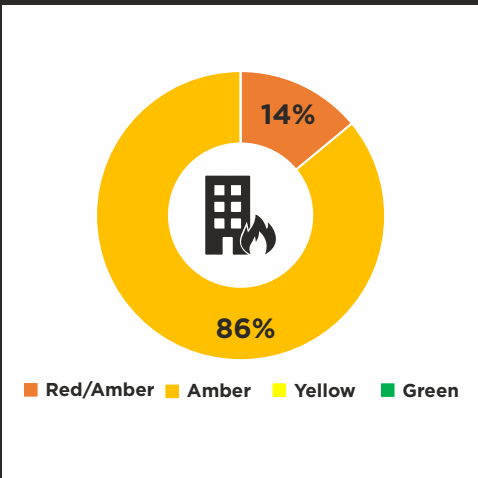


Key Findings, in particular, included:



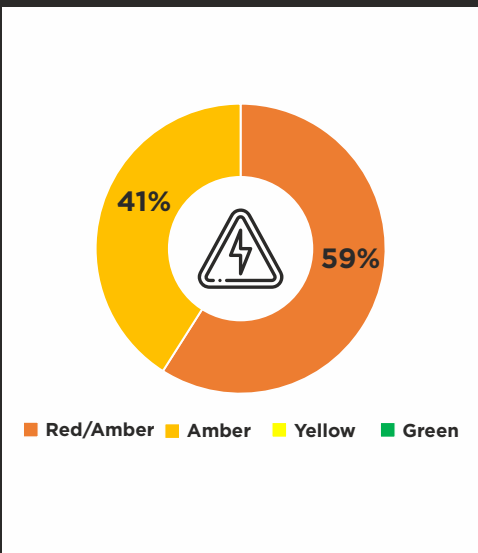
Structural Safety

- Reinforcements exposed in projected roof slabs
- Corrosion on supporting steel members at filtration plant
- Cracks on main beam
- Seismic bracing not provided for storage racks
- Missing documentation (e.g., structural diagrams, geo-technical report, floor-load plans)



Fire Safety

- Rolling shutters installed on exit doors
- Lockable devices installed on all exit doors
- Fire-rated doors and fire-rated enclosures not provided at staircases
- Water-pump set inadequate for fire-fighting purposes
- Inadequate internal fire-hose reel system
- Combustible goods stacked near electrical sources
- Inadequate water-storage capacity for fire-fighting purposes
- Single-side handrail on the staircase



Electrical Safety

- Electrical insulated rubber mats not provided in front of electrical panels
- Lighting protection system not installed
- Insufficient access and working space in front of distribution boards (DBs); fabric storage also found in front of DBs
- Continuity tests not performed for earthing strips connected to the lightning protection system, transformer, and electrical panels
- Body-frame earthing not provided to electrical motors, floor-wise distribution boards, and battery bank racks
- Heavy lint and dust inside switchboards/distribution boards
- Numerous hotspots with temperatures varying from 68°C to 153°C

2. Remediations

Data provided below comprises 22 factories where 44 follow-up visits were conducted until September 30, 2021.



Fire Safety:

- 74% of the factories installed emergency lights
- 75% of the factories removed temporary obstacles on the evacuation pathways
- 76% of the factories installed the illuminated exit signages
- 42% of the factories eliminated locking mechanism from exit doors



Electrical Safety:

- 93% of the factories removed lint and dust from electrical panels and distribution boards
- 95% of the factories took necessary corrective actions to reduce high temperatures in electrical panels and distribution boards
- 100% of the factories provided the earthing connections for electrical components
- 58% of the factories corrected the issue regarding drawings and layouts (e.g., single-line diagram and earthing and electrical layouts)



Structural Safety:

- 53% of the factories repaired cracks in beams and columns
- 37% of the factories rectified load-plan issues
- 33% of the factories remediated the corrosion in non-engineered structures, such as MS Shed
- 55% of the factories remediated the dampness in walls

3. Safety Trainings

Ten Safety Trainings were conducted during this quarter – 205 people participated in the Safety Training sessions with representation from Factory Management, OHS Committee, HR and maintenance departments, and workers from the production area.

Basic Level:

- R&A Silk International

Level 1:

- | | | |
|--|-----------------------------------|--|
| • Richa Fashion Pvt., Ltd. (A115) | • CTA Apparels | • Nahar Spinning Mills – Unit 376 |
| • Arvind Limited (Woven Shirts) | • Nahar Spinning Mills – Unit 373 | • Precise Seamless Apparels Pvt., Ltd. |
| • Pearl Global Industries Limited – Plot 274 | | |

Level 2:

- | | |
|-------------------------|------------------|
| • SMS Exports – Unit B9 | • Arvind Limited |
|-------------------------|------------------|

VIETNAM

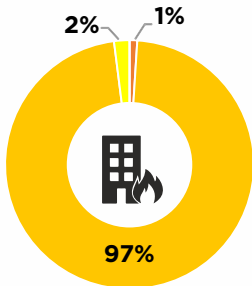


1. Assessments

Ten assessments were conducted at the following factories this quarter.

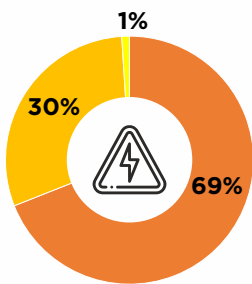
- | | | | |
|---|--|----|--|
| 1 | Jasan Socks Vietnam Co., Ltd. (2055855) | 6 | Seshin Vietnam Co., Ltd. |
| 2 | Phu Thinh Export Garment Joint Stock Company | 7 | Vina Kyung Seung Trading Co., Ltd. |
| 3 | Pro-Sports Giao Thuy Joint Stock Company - Pro Sports Hong Thuan Factory (2060400) | 8 | Daehan Global Thanh Hoa Co., Ltd. |
| 4 | Pro-Sports Giao Thuy Joint Stock Company | 9 | Regina Miracle International (Vietnam) Co., Ltd. (Factory C) |
| 5 | Regina Miracle International (Vietnam) Co., Ltd. (Factory A) | 10 | SANGWOO Vietnam Co., Ltd. |

Key findings included:



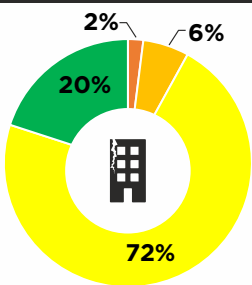
Fire Safety

- Locking mechanism on most exit doors
- Overhead signage not provided indicating direction changes
- Inadequate enclosures by the generator, boiler, and chemical areas



Electrical Safety

- Temperatures over 70°C at several electrical panels
- Inadequate protective earth (PE) connections
- Improper protection coordination between cables and protection devices



Structural Safety

- Uncontrolled storage in factory areas
- Cracks on structural members in factory
- Missing lateral-column bracing in workshop
- Corrosion on steel-frame structure on building roof

2. Remediations

Data given below is from 73 factories where 123 follow-up visits were conducted



Fire Safety Issues

- 100% of the factories removed temporary obstacles on the evacuation pathways
- 79% of the factories provided additional emergency lighting
- 63% of the factories installed additional fire detectors
- 53% of the factories remediated exit-door issues



Electrical Safety Issues

- 97% of the factories removed lint and dust from electrical panels and distribution boards
- 95% of the factories resolved high-temperature issues in electrical panels and distribution boards
- 86% of the factories rectified issues related to life-safety systems
- 74% of the factories provided PE connections



Structural Safety Issues

- 64% of the factories remediated the steel building's issues of missing/incomplete bracing
- 67% of the factories rectified the visible distress in structural members
- 55% of the factories provided allowable loading plans throughout the factory

3. Safety Trainings

Six Safety Training sessions were conducted this quarter; 115 people participated with representation from Factory Management, OHS Committee, HR and maintenance departments, and workers from the production area.

Basic Level:

- Alena Vietnam Footwear Limitedoto, Co., Ltd.

Level 1:

- Son Ha Co., Ltd. Thai Binh Branch
- Michigan Haiduong Co., Ltd.
- Sees Vina Co., Ltd.

Level 2:

- Pearl Garment Vietnam JSC
- Youngone Nam Dinh Co., Ltd.



Cambodia

- The Cambodia office set-up is complete and the groundwork is ongoing to kick-start LABS operations in early 2022
- Activities were initiated to create an enabling environment for technical aspects (e.g., shortlisting and onboarding Inspection Firms, Remediation Firms, and Safety Training Firms), legal aspects, and to connect with relevant country-specific stakeholders
- The firm "Archetype" was shortlisted to prepare LABS' Methodology and Standards for Cambodia. Contracting is complete

Helpline Quarterly Updates

India

- Received three Non-LABS, Non-Zero Tolerance cases
 - A query regarding the frequency of LABS training conducted at the factory
 - A worker reported about her salary
 - A caller inquiring about the possibility of taking a loan from the factory
- Helpline materials were sent to three factories
- Helpline team visited factories in September to determine how trainings and follow-up visits were conducted and to observe how LABS Helpline information is being shared with the factory

Vietnam

- Received 26 Non-LABS, Non-Zero Tolerance cases
 - Eight were COVID-19 queries (e.g., going to work during the outbreak, the vaccine, and safety measures at factories)
 - Two complaints on technicians' attitudes
 - Two complaints on medical staff's attitudes
 - Two inquiries on compensation and wages
 - One working overtime
 - One report of a non-working water-cooling system
 - One complaint of verbal abuse by team leader
 - Five questions on other topics (e.g., meals' quality, social insurance, loan, factory policy, what LABS Helpline is)
- Helpline materials sent to 19 new onboarded factories
- Helpline Impact Assessments were conducted for eight factories and LABS/Helpline team with total 87 respondents (80 from factories, 5 from LABS team, and 2 from Helpline). The survey purpose was to investigate the Helpline effectiveness. By identifying and analyzing a range of gaps and opportunities, we expect to strengthen the LABS Program Helpline and increase the Helpline uptake/awareness in LABS Vietnam factories. The assessment was conducted by the Center for Gender, Family, and Environment in Development (CGFED) Vietnam.

Outreach and Meetings

Brand outreach continues to be the focus with an objective to strengthen the coalition and enable more brands and factories to follow common standards and adopt to sustainable business practices. LABS Secretariat is performing follow-ups with various brands recently outreached including Amazon, Fruit of the Loom, Nike, Canadian Tire, Kontoor Brands, and PVH at corporate level regarding the next steps and further engagements.

Quarterly Major Incidents

India

Three accidents were reported during the quarter in the apparel and footwear sectors:

1. **July 4, 2021** – Ludhiana, Punjab: Fire broke out at a hosiery unit where short circuit was the cause; 30 fire fighters and 16 fire engines responded; no casualties
2. **August 8, 2021** – Noida, Uttar Pradesh: a short circuit was the cause of a massive blaze at a factory manufacturing leather belts and bags in Sector 63; six fire engines rushed to the spot; no casualties
3. **September 4, 2021** – Boisar, Maharashtra: Fire erupted at a cloth-manufacturing factory. Preliminary reports suggested an explosion in the boiler followed by a fire in the clothes manufacturing unit. Two individuals died and six were injured

Source: *Times of India, Hindustan Times*

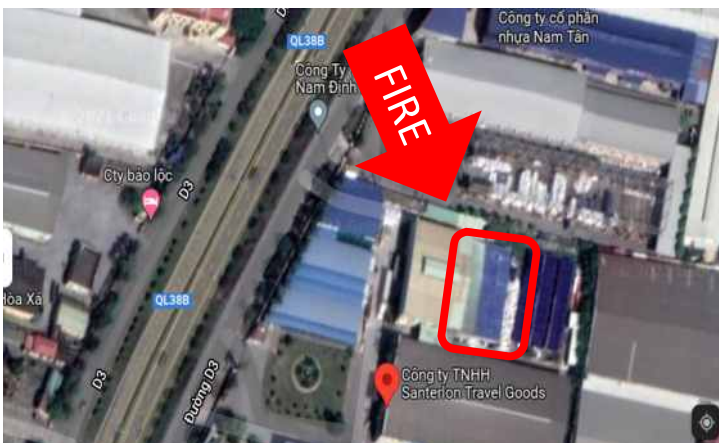


Vietnam

One accident was reported in the apparel and textile industry during the quarter:

1. **August 26, 2021** – North Vietnam: Fire at Santerlon Travel Goods Co., Ltd. where 1,000 sqm building was burned down. One person was injured

Source: <https://bnews.vn/chay-lon-tai-nha-may-trong-khu-cong-nghiep-hoa-xa-nam-dinh/209475.html>



What the Workers are Saying



“ I can approach management in case any issues are observed in terms of structural, fire and electrical safety. I also have access to the LABS Helpline number and can raise an issue regarding the Structural, Fire & Electrical safety issue identified. ”

Khushboo Kumari

Stitching Operator, Pee Empro Exports Pvt., Ltd.



“ In my opinion, the program is very meaningful and practical for the factory, requiring the factory to comply to ensure the safest for employees. For example, the factory pays more attention to ensuring factory safety for workers, provides better working conditions, focuses more on safety training, emergency evacuation, and workers' problems in a timely manner. ”

Hoang Duc Hanh

Compliance Officer, Hung Long Garment and Service JSC



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